(xii) On loans sanctioned during 01.04.1999 and 31.03.2007, the then existing parameters and guidelines will apply.

Statement-II

Benefits provided to textile industry under the scheme

(i) a reimbursement of five pecentage points on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme;

(ii) a cover for foreign exchange rate fluctuation not exceeding 5% in respect of foreign currency loans;

iii) an additional option to the powerlooms units to avail of 20% capital subsidy in lieu of 5% interest reimbursement subject to a capital ceiling of Rs. 100 lakh and ceiling on capital subsidy Rs. 20 lakh;

(iv) an additional option to the SSI textile and jute units to avail of 15% capital subsidy in lieu of 5% interest reimbursement subject to a capital ceiling of Rs. 100 lakh and ceiling on capital subsidy Rs. 15 lakh;

(v) 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.

(vi) 25% capital subsidy on purchase of the new machinery and equipment fox the pre-loom & post-loom operations, handlooms/up-gradation of handlooms and testing & Quality Control equipments, for handloom production units.

(vii) provision for certain imported second hand textile machinery.

viii) Other investments such as energy saving devices, effluent treatment plant, in-house R&D, IT including ERP, TQM including adoption of ISO/BIS standards, CPP etc. eligible for benefits of the scheme only upto 100% of the cost of machinery.

(ix) Investments like land, factory building, pre-operative expenses and margin money for working capital eligible for benefits of the scheme.

Increase in MSP for cotton

406. SHRI SANJAY RAUT: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that higher production cost of cotton, Minimum Support Price (MSP) of cotton and import of cotton has exaggerated the situation of the farmers in Maharashtra;

(b) whether it is also a fact that there is a big gap between Minimum Support Price and production cost of the cotton;

(c) if so, whether Government has any proposal to increase M.S.P. and also increase of import duty on cotton; if so, the details thereof; and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN):(a)No, Sir.

(b) No Sir. The MSP is fixed by the Government of India every year on the recommendation of Commission on Agricultural Costs & Prices (CACP) which takes into account the cost of cultivation per hectare, cost of production per quintal in various regions of the country, changes in input prices like seeds, pesticides, fertilizers etc., demand and supply situation, effect of industrial cost structure, parity between prices paid and prices received by the cotton farmers etc., plus a reasonable profit margin to the cotton farmers. This mechanism

of fixing MSP on year to year basis helps in guaranteeing an assured price to the cotton fanners and sustain their continued interest in cotton cultivation. The import of cotton is under Open General Licence (OGL) since 19.4.1994 without any qualitative or quantitative restrictions and the said policy is still being continued. The existing basic custom duty on import of raw cotton is 10%. Import of cotton is the last year was 1.78% of the total production.

(c) MSP is fixed every year taking into account the cost of various inputs and a reasonable margin of profit. There is no proposal for increase of import duty on cotton.

(d) and (e) Question does not arise in view of above.

Extension of ADT on raw silk

407. SHRI NANDI YELLAIAH: Will the Minister of TEXTILES be pleased to state:

(a) whether the State Government of Andhra Pradesh has requested the Union Government to extend the Anti Dumping duty (ADT) for 5 more years to safeguard the interests of secriculture fanners of the country and to stablize sericulture and silk industry of the state;

(b) if so, the reaction of Government thereto;

(c) whether Central Silk Board and State Government have sent any sunset review petitions to his Ministry in view of the fact that ADT on raw silk was to end by July, 2007; and

(d) if so, the salient features of such petitions?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) to (d) The Central Silk Board in Association with various Silk Reelers Associations and the concerned State Departments *i.e.* Karnataka, Andhra Pradesh, Tamil Nadu have filed a Sunset Review Petition before the Directorate General of anti-dumping and Allied Duties (DGAD), Ministry of Commerce during August 2007 for the extension of the Anti Dumping Duty for next 5 years providing all the required documents/evidences to continue the Anti Dumping Duty for another 5 years. The sunset review petition can be filed by the domestic industry before six months of its expiry. The Designated Authority can review the need for the continued imposition of the Anti Dumping Duty. The investigation for continuing the Anti dumping duty is likely to commence shortly.

Launching of new handlooms centres

408. SHRI RAVULA CHANDRA SEKAR REDDY; Will the Minister of TEXTILES be pleased to state:

(a) whether Government has any proposal to increase the coverage of weavers cooperative societies;

(b) if so, the initiative taken especially in A.P. and the position thereof financially;

(c) whether Government is launching the new handloom centres; and

(d) if so, the details worked out so far with the outlay especially for A.P.?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The State Government of Andhra Pradesh has informed that recently, many weavers who are in the unorganized sector have been brought into the Cooperative fold by registering 86 new Handloom Weavers Cooperative Societies in the State. An amount of Rs. 176.00 lakhs has been sanctioned by the Government of Andhra Pradesh towards share capital contribution @ Rs. 2.00 lakhs to each Handloom Weavers Cooperative society. The list of the newly registered societies in Andhra Pradesh is as follows: